



California Board of Accountancy
2450 Venture Oaks Way, Suite 300
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QC Item I.A.

January 23, 2019

**DEPARTMENT OF CONSUMER AFFAIRS (DCA)
CALIFORNIA BOARD OF ACCOUNTANCY (CBA)**

**MINUTES OF THE
OCTOBER 24, 2018
QUALIFICATIONS COMMITTEE (QC) MEETING**

California Board of Accountancy
2450 Venture Oaks Way Suite 300
Sacramento, CA 95833

The regularly scheduled meeting of the QC was called to order at 9:29 a.m. on October 24, 2018, by QC Chair, David Evans, CPA.

QC Members

David Evans, CPA, Chair
Kimberly Sugiyama, CPA, Vice-Chair
Joanna (Jenny) Bolsky, CPA
Kristian George, CPA
Charles W. Hester, Sr., CPA
Brad Holsworth, CPA
Angela Honzik, CPA
Cliff Leiker, CPA
Jose Palma, CPA
Nasi Raissian, CPA
Michael L. Williams, CPA

CBA Members

Katrina L. Salazar, CPA, QC Liaison

CBA Staff

Ashley Delle, Licensing Coordinator
Suzanne Gracia, Licensing Manager
Gina Sanchez, Licensing Division Chief

I. Chairperson's Report.

Mr. Evans welcomed the QC Members and read the CBA Mission Statement to open the meeting.

- A. Approval of the July 25, 2018, QC Minutes.

It was moved by Ms. Bolsky and seconded by Mr. Palma to approve the minutes of the July 25, 2018 QC meeting.

Yes: Mr. Evans, Ms. Sugiyama, Ms. Bolsky, Ms. George, Mr. Hester, Mr. Holsworth, Ms. Honzik, Mr. Palma, Ms. Raissian, Mr. Williams.

No: None.

Abstain: Mr. Leiker

Absent: None

- II. Report of the CBA Liaison.

- A. Report on the September 20-21 2018 CBA Meeting.

Ms. Salazar provided this report.

DCA conducted a Strategic Planning Workshop on September 20, 2018. The draft of the 2019-2021 Strategic Plan will be presented to the CBA at a future meeting.

At the September 20-21, 2018 CBA meeting, President Savoy introduced new CBA member Mary M. Geong, CPA.

Staff presented the proposed responses of the Sunset Review Report to the CBA. The final draft will be presented to the CBA at the November CBA meeting for approval, and issued to the Legislature by December 1, 2018.

The 2019 QC meeting dates were approved and the calendar on the CBA website has been updated to include these dates.

The CBA continued to maintain its current position on several legislative bills. If members are interested in reviewing any of the bills, they are listed on the CBA's website.

The CBA meeting will hold its next meeting in San Diego on November 15-16, 2018.

- III. Report on the Activities of the Initial Licensing Unit (ILU).

Ms. Gracia provided this report.

A verbal report was provided in lieu of a hard copy report, it is anticipated that an updated report will be available at the next QC Meeting.

At the July QC Meeting it was reported that the Licensing Division had been experiencing increased processing timeframes and was working closely with executive management in workgroup meetings to review current processes.

Ms. Gracia reported that examination applications are being processed within 30 days.

CBA staff have significantly reduced the processing timeframe for initial licensure applications and anticipate being under 30 days by the end of October 2018.

Division staff have made significant progress in processing the pending workload, identifying efficiencies, and streamlining processes.

CBA staff are using fewer paper letters and sending notifications to applicants by email. The CBA has also started to accept sealed official transcripts with applications submitted by applicants.

Cross training has been provided to all staff within the division and staff have been consistently working overtime to expedite applications through the process, which has in turn created a positive experience for applicants.

There are additional process improvements planned for the near future; we are working on updating materials that will include informational videos and brochures and accepting online payments for CPA license renewal.

Members will be kept apprised of our progress.

IV. Public Comment for Items Not on the Agenda.

None.

V. Review Files on Individual Applicants [The QC will meet in closed session to review and deliberate on applicant files as authorized by Government Code section 11126(c)(2), and Business and Professions Code (BPC) sections 5022 and 5023.]

The QC conducted its annual internal audit of files approved for licensure. A total of 100 files were reviewed and the QC concurred with staff's assessment on all 100.

- VI. Conduct Closed Hearings [The QC met in closed session as authorized by Government Code section 11126(c)(2) and (f)(3), and BPC section 5023 to conduct closed hearings to interview individual applicants for CPA licensure.

Adjournment at 9:39 a.m. to reconvene after closed session.

There being no further business to be conducted, the meeting was adjourned at 3:57 p.m. on October 24, 2018. The next meeting of the QC will be held on January 23, 2019 in Southern California.

David Evans, CPA, Chair

Prepared by: Ashley Delle, Licensing Coordinator



Licensing Activity Report

QC Item III.
January 23, 2019

Fiscal Year (FY) 2018/2019 July 1, 2018 – November 30, 2018

Licensing Division Highlights

Online Credit Card Payment System

The California Board of Accountancy (CBA) License Renewal Payment Portal was launched on Monday, December 10, 2018. The new online payment portal allows licensees to pay renewal fees online. Providing licensees this alternative payment method will reduce the timeframe for receiving a renewed license.

Renewal and Continuing Competency staff have revised internal processes and procedures to ensure a seamless transition to online payments and submission of renewal applications via email.

Outreach

On November 19, 2018, staff attended a student outreach luncheon hosted by the California Society of CPAs in Sacramento. Staff provided the CBA's outreach materials and discussed the examination, education, and experience requirements for CPA licensure with event attendees.

On November 30, 2018, CBA Secretary/Treasurer Nancy J. Corrigan, CPA, and staff attended an outreach event at Pasadena Community College discussing the requirements and process to sit for the Uniform CPA Examination (CPA Exam) and obtain a CPA license. Staff answered audience questions regarding the requirements and process to obtain a CPA license.

Oversight of the CPA Examination

As part of the oversight responsibility of the CPA Exam, the CBA's contract with NASBA allows CBA representatives two programs to evaluate the security measures performed by Prometric testing sites as they administer the examination.

The two programs provide an opportunity to perform an unannounced site visit of a Prometric location or pose as an examination candidate in order to observe the administration of the examination.

Staff is seeking interest from CBA and committee members to perform either type of visit in the coming months at the 22 Prometric locations throughout California. A letter will be sent to each member in February providing additional information along with a response form that identifies the type of visit and preferred location(s).

Licensing Division Snapshot

Fiscal Year 2018/19
5 months of data

25,631 Applications Received

2,657	First Time Exam
6,641	Repeat Exam
1,552	CPA License
224	Accounting Firms
14,557	Renewal

56,341 Stakeholder Inquiries

21,589 Emails

- 40% Initial Licensure
- 31% Examination
- 29% Renewal

34,752 Telephone Calls

- 39% Initial Licensure
- 34% Examination
- 27% Renewal

Qualifications Committee Meeting

January 23, 2019

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Initial Licensing Statistics

Individual

FY 2018/19

(5 months of data)

1,828 Approved

-Attest Authority 470

-General Authority 1,358

FY 2017/18

2,187 Approved

-Attest Authority 578

-General Authority 1,609

FY 2016/17

3,339 Approved

-Attest Authority 954

-General Authority 2,385

Firms

FY 2018/19

(5 months of data)

195 Approved

-Corporation 71

-Partnership 18

-Fictitious Name Permit 68

-Out-of-State Registrations 38

FY 2017/18

354 Approved

-Corporation 173

-Partnership 48

-Fictitious Name Permit 84

-Out-of-State Registrations 49

FY 2016/17

418 Approved

-Corporation 202

-Partnership 70

-Fictitious Name Permit 76

-Out-of-State Registrations 70

Initial Licensing Statistics (cont.)

- The Initial Licensing Unit is processing initial CPA applications and Accounting Firm applications within 30 days of receipt. All initial CPA licensure applications that were received at the CBA in October were completed within 30 days or less of receipt. As of December 19, 2018, staff were processing initial CPA licensure applications dated November 26, 2018, within 23 days of receipt. Processing is defined as an initial review of an application where applicants either receive a pre-approval notification requesting the initial license fee for issuance of a license number or a deficiency letter identifying any outstanding items.
- For the first five months of FY 2018/19, the total number of CPA applications *received* during this fiscal year has increased by 18 percent compared to the same time period last fiscal year, from 1,312 to 1,552.
- For the first five months of FY 2018/19, the total number of CPA applications *approved* during this fiscal year has increased by 67 percent compared to the same time period last fiscal year, from 1,092 to 1,828.

